

AMENDMENT TO HCS 2058

DELETE SUBSECTION 7 IN ITS ENTIRETY.

Reasons: The total elimination of mechanic's lien rights if a Notice of Rights is not recorded before a sale is grossly unfair and unwarranted. Think of all of the past home builders who fled the country after playing shell games with different brother-sister, parent or related corporations, limited partnerships, and limited liability companies. To destroy lien rights all they have to do is transfer title to a different related company and merely move money from one of their accounts to another. Such mischief should not be allowed at the expense of the subcontractors and suppliers whose hard work went into adding value to the real estate. By requiring a Notice to be recorded within a reasonable time after work commences, the title companies have more than sufficient means of protecting themselves before title is transferred.